

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0600-0539

Case Title:

Team, Inc.

Reporting Office:

Dallas, TX, Area Office

Subject of Report:

Interview 2

Activity Date:

November 30, 2010

Reporting Official and Date:

, SA

17-DEC-2010, Signed by , SA

Approving Official and Date:

, SAC

28-DEC-2010, Approved by SAC

SYNOPSIS

11/30/2010 - said instructed on how to operate and manipulate the Leak Detection and Repair (LDAR) database. instructed how to correct inspection times to hide "punching-in", a method of falsifying LDAR inspections.

stated that if there were gaps of time between inspection events either or would fill in those gaps with fabricated inspections.

recalled a specific time when and said if monitoring inspections were past due, inspections showed leaking components, and or a chronic leaking component that could not be fixed then would "fix" them in the database by manually editing the database.

DETAILS

On 11/30/2010, at approximately 15:40 hours, Special Agent and Texas Commission on Environmental Quality Special Investigator personally interviewed

as apprised of the purpose of the interview and provided the following information:

In

explained that when the exact time of an inspection was not known, either would simply make up a time that looked right and input the fabricated time into the database. Additionally, instructed how to correct inspection times to hide "punching-in", a method of falsifying LDAR inspections.

stated that if there were gaps of time between inspection events either or would fill in those gaps with fabricated inspections.

said if the database had a "VR" next to an inspection then it was probably fabricated. noted that some VRs were legitimately entered because of down or broken data loggers. (VR:

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Visual Recording) [REDACTED] noted that Valero came up with the VR strategy.

[REDACTED] instructed [REDACTED] when to manipulate the database and, on occasion, would manipulate the database [REDACTED]. [REDACTED] told [REDACTED] "do what you have to do".

[REDACTED] said if monitoring inspections were past due, inspections showed leaking components, and or a chronic leaking component that could not be fixed then [REDACTED] would "fix" them in the database by manually editing the database.

[REDACTED] explained that LDAR inspections in areas requiring a Confined Space Entry (CSE) permit were not performed; nevertheless the inspection results were entered into the database. Sometimes [REDACTED] entered the fabricated inspection results and other times told [REDACTED] to do it.

[REDACTED] said Valero knew about the fabricated inspections in CSE areas. Valero operations or maintenance guys would question how the inspections were done but Valero supervisors just "closed their eyes" to it.

[REDACTED] recalled that [REDACTED] had created a point system that awarded technicians based on the number of inspections performed. [REDACTED] recounted a specific incident when [REDACTED] had the most points but refused the award offered by [REDACTED]. [REDACTED] did not know why [REDACTED] refused the award.

The Team LDAR technicians at Valero were allowed to start late and set the clocks back on their equipment, making it appear as though they began working on time.

[REDACTED] said [REDACTED] trained the guys at Valero to be "tight lipped", adding the Valero group would not talk about what was going on. However, Wells opined that [REDACTED] may be willing to talk.

[REDACTED] recalled a specific time when [REDACTED] edited the database to pass a [REDACTED]. Sometime on a Saturday and Sunday in the fall of [REDACTED] stayed at work until almost 10:00 PM "fixing" the database, changing leak rates, and inspection dates/ times.

[REDACTED] said [REDACTED] worked to do component monitoring and repair the weekend before the audit. [REDACTED] told [REDACTED] which unit was going to be audited. [REDACTED] told [REDACTED] to never send a straight report; clean up the data so there are no late inspections on leaking components. [REDACTED] recalled "cleaning up" the data in a report for Saied (TCEQ Inspector.)

[REDACTED] said [REDACTED] did what [REDACTED] taught [REDACTED] to do, made the data appear how [REDACTED] wanted it to appear. [REDACTED] taught [REDACTED] how to run and manipulate the "late leakers" report.

[REDACTED] was uncertain if [REDACTED] ([REDACTED]) was aware of what was going on. [REDACTED] opined that if [REDACTED] knew about it he would "turn a blind eye" because the success would make him look good as well as [REDACTED].